DESCRIPTION
Service industries account for 75% of U.S. GDP and employ 80% of the labor force, having decades ago eclipsed manufacturing and agriculture combined. The financial services sector (finance, insurance and real estate) dominates this service economy, contributing more than 20% to the country’s GDP.

The growth of service industries is not just a U.S. phenomenon. Services contribute to more than two-thirds of the world’s GDP and, in developed economies, account for greater job growth rates than other industries. Even when physical products are created and distributed, more and more have service components attached to them. Moreover, some leading companies in the world, most notably IBM, are transforming themselves from manufacturers to service providers.

Services differ in many ways from manufactured goods. Their intangibility, inability to be inventoried, and the fact that customers play a greater role in product creation, are but a few examples. As a result, marketers must expand their traditional 4Ps toolset (product, price, place, and promotion) to include process, people and the physical environment. And marketers must adjust their application of the 4Ps. For example, pricing techniques such as revenue management may be appropriate to use when a service product is perishable. Promotion needs to be educational and experiential because the service product is less tangible and may have greater perceived risk associated with buying it compared to a physical good. These “7Ps” apply to both consumer and institutional (B2B) business models and cases discussed will include financial services, healthcare, hospitality and professional services segments.

Marketers and business leaders alike must understand that the service experience – the sum of all the interactions between a customer and the provider- has a profound impact on the profitability of the organization. In addition, research studies of service companies across industries have shown a positive relationship between service quality/customer loyalty and topline growth rates and stock prices when compared to competitors with poorer quality and loyalty scores. For all of these reasons, to be successful and create competitive advantage, today’s marketing leaders need to shift their resources and mindsets from an acquisition-orientation to being retention and lifetime value-focused.

Through textbook and case study readings and lectures, plus live and video examples and a service encounter project and presentation, the course objectives are to:

• Recognize the impetus for services marketing and appreciate the challenges presented by the service sector
• Understand concepts and techniques of services marketing (distinguishing from those deployed in goods marketing) and identify appropriate marketing tactics to deploy against specific services marketing problems
• Deepen understanding of customer loyalty principles and interventions – measurement, customer experience design and implementation of customer management programs
• Understand customer loyalty drivers and their impact on growth and profitability
SYLLABUS

Requirements:
• Textbook, other reading (e.g. cases) prepared for discussion for the date listed on the schedule
• Service Encounter Presentation (20%)
• Service Encounter Journal and Paper (30%)
• Final Exam (35%)
• Class Participation/Case and Text Discussion (15%)


Schedule: Saturdays 1:00 p.m. – 4:00 p.m. (no class May 24)

<table>
<thead>
<tr>
<th>SESSION</th>
<th>CONTENT</th>
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<tbody>
<tr>
<td>1. May 17</td>
<td>Introduction to Services Marketing, how and why it differs from goods Top company “case-lets” e.g. USAA, Ritz-Carlton, Zappos</td>
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<tr>
<td>2. May 31</td>
<td>The 4P’s applied to Services, + Physical Environment, People, Process CASE STUDY - TBD</td>
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<td>3. June 7</td>
<td>Customer Loyalty, Net Promoter Score and Voice of the Customer CASE STUDY/Guest Speaker – Charles Schwab</td>
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<td>4. June 14</td>
<td>Customer Relationship Management, Segmentation, Lifetime Value CASE STUDY/GUEST SPEAKER - MasterCard</td>
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<td>5. June 21</td>
<td>Retention and Customer Experience Design; Quality and Productivity Student Service Encounter Presentations</td>
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<tr>
<td>6. June 28</td>
<td>Service Recovery and Reputation Management Student Presentations (cont.); Journals &amp; Paper Due; Exam Distributed</td>
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Service Encounter Journal and Paper:
This project will be done individually. A total of six journal entries describing each encounter are required and these encounters must span at least three different service industries. One B2B example must be included along with a mix of physical and virtual experiences.

The entries should include a description of the service provider and the transaction experience, and specifically call out the relevant marketing elements observed including at least three of the 7Ps, the service quality, and customer relationship aspects.

In addition to the journal entries, the student must submit a 3-5 page paper analyzing the strengths and weaknesses of the services observed or experienced. The student should compare and contrast the variety of experiences and make recommendations for improvement.

Service Encounter Presentation:
One of the six entries will be presented to the class. Up to five Power Point slides must be prepared to introduce the organization and its value proposition, describe the encounter, and call out several elements of the marketing mix experienced. The final slide(s) should contain recommendations – what the organization should continue, start and stop doing to improve its service delivery and, in turn, its business results. The students will notify the class in Session 3 as to what organization they have selected so that the class participants can conduct cursory research on that organization prior to the presentation and have a question prepared for the presenter.